

Financial Statements

WWF-Brasil – World Wide Fund For Nature

December 31, 2023
with Independent Auditor's Report

WWF-Brasil – World Wide Fund For Nature

Financial statements

December 31, 2023

Contents

Independent auditor’s report on financial statements 1

Statement of financial position 4

Statement of income 5

Statement of other comprehensive income 6

Statement of changes in equity 7

Statement of cash flows – indirect method 8

Notes to the financial statements 9

A free translation from Portuguese into English of the independent auditor's report on financial statements prepared in Brazilian currency, in accordance with the accounting practices adopted in Brazil applicable to small and medium-sized entities (NBC TG 1000 (R1))

Independent auditor's report on financial statements

To the Board of Directors and Officers of
WWF-Brasil – World Wide Fund For Nature
Brasília - DF

Opinion

We have audited the financial statements of WWF-Brasil – World Wide Fund For Nature ("Entity"), which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WWF-Brasil – World Wide Fund For Nature as at December 31, 2023, its financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil applicable to small and medium-sized enterprises (NBC TG 1000 (R1)).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Audit of corresponding figures

The Entity's financial statements for the year ended December 31, 2022 were audited by other independent auditor, who issued an unmodified report dated April 27, 2023.

Responsibilities of the executive board for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to small and medium-sized enterprises (NBC TG 1000 (R1)), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatements of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Entity's executive board.

- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Brasília, April 29, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-015199/O



Alexandre Dias Fernandes
Accountant CRC DF-012460/O

WWF-Brasil - World Wide Fund For Nature

Statement of financial position
December 31, 2023 and 2022
(In thousands of reais)

	Note	12/31/2023	12/31/2022
Assets			
Current assets			
Cash and cash equivalents	3	17,017	15,210
Project-related funds	4	22,635	20,233
Receivables from projects executed	5	8,915	5,781
Other receivables		1,278	1,162
Inventories		43	144
Total current assets		49,888	42,530
Noncurrent assets			
Property, plant and equipment	6	1,712	1,587
Intangible assets		-	1
Total noncurrent assets		1,712	1,588
Total assets		51,600	44,118
Liabilities and equity	Note	12/31/2023	12/31/2022
Current liabilities			
Suppliers		572	1,262
Obligations - projects to be executed	7	22,635	20,233
Labor obligations	9	5,209	4,784
Obligations with the WWF headquarters – Network Service	14.e	362	292
Obligations - GMI	8	2,525	2,627
Other accounts payable	10	1,625	624
Total current liabilities		32,928	29,822
Noncurrent liabilities			
Obligations with the WWF headquarters – Network Service	14.e	209	343
Provision for civil and labor contingencies	14.c	-	226
Total noncurrent liabilities		209	569
Total liabilities		33,137	30,391
Equity			
Net worth	14.d	13,727	10,418
Accumulated surplus		4,736	3,309
Total equity		18,463	13,727
Total liabilities and equity		51,600	44,118

See accompanying notes.

WWF-Brasil - World Wide Fund For Nature

Statement of income

Years ended December 31, 2023 and 2022

(In thousands of reais)

	Note	2023	2022
Operating revenues			
Revenues related to projects	11	116,042	97,610
Institutional revenue		928	957
Net revenue from sales of goods and services		1,161	815
Voluntary work	14.g	287	235
Other revenues	12	254	248
		<u>118,672</u>	<u>99,865</u>
Operating expenses			
Personnel expenses	13.1	(43,892)	(39,094)
Costs of programs and projects	13.2	(64,479)	(53,411)
General and administrative expenses	13.3	(5,379)	(5,388)
Voluntary work	14.g	(287)	(235)
Other expenses		(2,425)	(611)
Tax expenses		(46)	(174)
		<u>(116,508)</u>	<u>(98,913)</u>
Operating income before finance income		<u>2,164</u>	<u>952</u>
Finance income (expense)			
Finance income	13.4	3,928	3,793
Finance expense	13.4	(1,356)	(1,436)
Finance income, net		<u>2,572</u>	<u>2,357</u>
Surplus for the year		<u>4,736</u>	<u>3,309</u>

See accompanying notes.

WWF-Brasil - World Wide Fund For Nature

Statement of other comprehensive income
Years ended December 31, 2023 and 2022
(In thousands of reais)

	2023	2022
Surplus for the year	4,736	3,309
Other components of comprehensive income	-	-
Total comprehensive surplus for the year	4,736	3,309

See accompanying notes.

WWF-Brasil - World Wide Fund For Nature

Statement of changes in equity
 Years ended December 31, 2023 and 2022
 (In thousands of reais)

	Net worth	Accumulated surplus (deficit)	Total
Balance at January 1, 2022	6,499	3,919	10,418
Transfer from surplus to net worth	3,919	(3,919)	-
Surplus for the year	-	3,309	3,309
Balance at December 31, 2022	10,418	3,309	13,727
Transfer from surplus to net worth	3,309	(3,309)	-
Surplus for the year	-	4,736	4,736
Balance at December 31, 2023	13,727	4,736	18,463

See accompanying notes.

WWF-Brasil - World Wide Fund For Nature

Statement of cash flows - indirect method
Years ended December 31, 2023 and 2022
(In thousands of reais)

	12/31/2023	12/31/2022
Cash flows from operating activities:		
Surplus for the year	4,736	3,309
<i>Adjustments in surplus for the year</i>		
Provision (Reversal) of provision for civil and labor contingencies	(226)	(6)
Write-offs and losses – receivables	34	(10)
Gains on project unearned revenue	-	(36)
Write-offs and losses - inventories	3	17
Write-off of property, plant and equipment items, and intangible assets	1,057	299
Gains on liabilities	(3)	3
Foreign exchange gains and losses	(102)	(355)
Amortization	1	2
Depreciation	791	678
Changes in assets and liabilities		
Project-related funds	(2,402)	3,855
Receivables from projects executed	(3,134)	(4,286)
Other receivables	(151)	7
Inventories	98	(77)
Obligations - projects to be executed	2,402	(3,819)
Labor obligations	426	831
Suppliers	(690)	297
Other liabilities	941	22
Net cash flows from operating activities	3,781	731
Cash flows from investing activities:		
Acquisition of property, plant and equipment items	(1,974)	(919)
Net cash flows used in investing activities	(1,974)	(919)
Net (decrease) increase in cash and cash equivalents	1,807	(188)
Cash and cash equivalents:		
At beginning of year	15,210	15,398
At end of year	17,017	15,210
Net (decrease) increase in cash and cash equivalents	1,807	(188)

See accompanying notes.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations

WWF-Brasil (“Entity” or “WWF-Brasil”) is a Brazilian non-profit civil society organization engaged in promoting nature conservation and society’s engagement with the environmental cause within the Brazilian social and economic context. The Entity is incorporated as a civil association and is part of the WWF Network (World Wide Fund for Nature). The registered address of the Entity’s office is CLS 114 Bloco D Loja 35 - Asa Sul, Brasília/DF.

Established in 1988 and reorganized in its current statutory form in 1996, WWF-Brasil started its operations as a representative office for WWF Network’s projects in the country. Since August 30, 1996, it became WWF-Brasil, operating under new Bylaws and as an autonomous national organization. In other words, it is the only organization responsible for WWF’s operations in Brazil, including project management, formation of partnerships, the use of world logo and fundraising within the country. Moreover, it integrates the international governance instances of the WWF Network with its own seat, voice and vote.

The Bylaws define WWF-Brasil’s mission as follows: “Contribute to a Brazilian society that conserves its natural environment, harmonizing human activity with the preservation of biodiversity and the sustainable use of natural resources, to the benefit of the citizens of today and of future generations.” Additionally, the Entity adopts the following values: Courage, Integrity, Respect, and Collaboration.

WWF-Brasil seeks to engage people for conservation, and one of the ways of doing this is through the affiliate program, through which people commit to making periodic donations. On December 31, 2023, WWF-Brasil’s members program had 1,254 active members (compared to 1,321 members on December 31, 2022). Unique donations in 2023 amounted to 958 (compared to 805 donations in 2022).

- (i) In accordance with by-laws, the institutional principles of WWF-Brasil are:
- (ii) The promotion for reconciling sustainable development and nature conservation.
- (iii) Respecting the interests of traditional populations, as defined by law, in relation to the areas in which the Entity operates.
- (iv) Respecting human rights.
- (v) Rejecting all kinds of prejudice and discrimination as defined by law.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

- (vi) Lawfulness, impersonality, morality, publicness, economy and efficiency; and
- (vii) Respect for the Brazilian Federal Constitution and other laws and rules comprising the national legal system, unity and sovereignty of Brazil.

The Entity is ruled by a governance system, which involves the Chamber of Associates, a Deliberative Council, and an Advisory Board; and, in addition, it has thematic committees, which, together, periodically monitor the progress of operations, results and impacts regarding its strategy, bylaws and organizational mission. There is also the Supervisory Board, which reviews the annual financial statements independently, and guides the Chamber of Associates upon approval of the annual accounts.

WWF-Brasil does not compensate its directors and associates, in compliance with the provisions of the federal tax legislation; nor does it share any institution's profits, bonuses or advantages, gains or positive results for the year with managers, supporters or associates, under any form or pretext.

WWF-Brasil is managed by professionals hired by the Chief Executive Officer, its main executive, and the person in charge of administrative and programmatic management. The Chief Executive Officer and his team periodically report on the financial and technical results to the Deliberative Council and other governance bodies.

1.1. WWF Network - World Wide Fund For Nature

Established in 1961, the WWF Network has become one of the most respected independent organizations of environmental civil society. With a secretariat located in Geneva, Switzerland, where the WWF-International is headquartered, the WWF Network is composed of autonomous national organizations, associated organizations, regional hubs and project units in over 100 countries.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

1.1. WWF Network - World Wide Fund For Nature (Continued)

The WWF Network operates as a kind of federation of environmental organizations. All of them are non-governmental, independent and non-profit entities, associated through voluntary agreement. There are several levels of association, and WWF-Brasil is among the most comprehensive of them, which is the National Organization (NO) status. The link to the WWF Network does not imply loss of local autonomy. The member organizations share programs, plans and strategies and join forces to act globally. Nevertheless, there is no overlapping decision making or decisions imposed at the national level.

Relationships within the WWF Network are coordinated by WWF-International, which governs the operation and integration standards regarding actions carried out by the offices. Partnerships between WWF offices are contractually defined and follow operational standards and practices, which are defined collaboratively with other national offices.

WWF-Brasil is responsible for integrating its national strategy with the global strategy through the definition of nationally determined critical contributions to WWF's global impact goals. Moreover, there are common standards for the design, performance and accountability of projects and programs.

1.2. Tax exemptions

WWF-Brasil is a non-profit entity and enjoys exemption from income tax and social contribution tax on net income under the terms of article 15 of Law No. 9532/97. Since 2016, WWF-Brasil has the ITCMD (the Brazilian tax on Causa Mortis Transmission and Donation of any assets or rights) exemption certificate in the State of São Paulo, as it is a non-profit environmental organization, in accordance with State Law No. 10705, dated December 28, 2000, and São Paulo Decree No. 45837, dated June 4, 2001 — said exemption has been renewed in accordance with the state rule.

2. Presentation of the financial statements and accounting policies

a) Basis of preparation and presentation of financial statements

The financial statements were prepared and are presented in accordance with the accounting practices adopted in Brazil and applicable to Small and Medium-Sized Enterprises ("CPC PME") and ITG 2002 (R1) - Non-Profit Entities, issued by Brazil's National Association of State Boards of Accountancy (CFC).

All relevant information specific to the individual and consolidated financial statements, and only such information, is being disclosed, and corresponds to the information used to manage the Company's operations.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

a) Basis of preparation and presentation of the financial statements (Continued)

These financial statements were approved by the Deliberative Council on April 23, 2024.

b) Functional and presentation currency

These financial statements are presented in Brazilian reais (R\$), which is the Entity's functional currency. All amounts were rounded to the nearest thousand, unless otherwise stated.

c) Use of estimates and judgments

The financial statements are prepared in accordance with several assessment bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements are based on objective and subjective factors and management's judgment to determine the adequate amount to be recorded.

Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to the uncertainty inherent in their estimate process. The Entity regularly reviews its estimates. Reviews of estimates are recognized on a prospective basis.

Nonfinancial data included in these financial statements, such as number of associates and affiliates and number of projects, are outside the scope of the audit.

d) Basis of measurement

The financial statements were prepared under the historical cost convention, unless otherwise indicated.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

e) Significant accounting policies

Determination of profit or loss

Profit or loss is recorded on an accrual basis in accordance with the following aspects:

Revenue recognition

The Entity has the following revenues:

- (i) Donor contribution revenue: it is recognized according to the application of funds in the respective projects/donations. Amounts received and still not invested in projects are recorded as “Obligations – projects to be executed”.
- (ii) Revenues from institutional donations: these are amounts not linked to projects and are recognized when effective, that is, upon receipt.
- (iii) Sales of products: these comprise products that communicate our brand, that allow consumers to access socially and environmentally responsible alternatives and that at the same time express the causes with which they identify. The product mix involves t-shirts, cups, and other artifacts. WWF-Brasil currently markets these products exclusively through a partner that operates in an e-commerce format. The model adopted is the consigned sales, that is, the recognition of the revenue in WWF-Brasil occurs during the symbolic return of the goods sold through the partner’s platform, and at this moment we issue the sales invoice.
- (iv) Volunteer work: comprises the measurement of the work of directors who are not paid, but dedicate hours of work to the management of the entity.
- (v) Other revenues: comprise revenues from sales of property, plant and equipment and expense recovery.

Recognition of project expenses

Expenditures from contracts with third parties related to projects are recognized in profit or loss as the services are rendered or the projects executed. Financial disbursement is monitored in order to comply with the budgetary schedule.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

e) Significant accounting policies (Continued)

Determination of profit or loss (Continued)

Recognition of administrative expenses

Administrative expenses are recognized on an accrual basis.

Translation of balances denominated in foreign currency

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (the Brazilian real – R\$) at the exchange rate in force as of the corresponding statement of financial position dates. Gains and losses resulting from the restatement of such assets and liabilities verified between the exchange rate in effect on the date of transaction and the closing of the years are recognized as finance income in the statement of income for the year.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and other highly liquid short-term investments redeemable within ninety (90) days posing insignificant risk of any change in their value, held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Receivables from projects executed

These include receivables from donors related to expenses incurred on projects that are awaiting approval of the accountability report, which occurs on quarterly basis. The amounts of receivables related to projects executed will be receivable within a short term and provided for under the contracts with the donors.

Other receivables

These are receivables from employees, partners and suppliers recorded. An allowance for expected credit loss is recorded, when applicable, when amounts are more than 6 months past due.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

e) Significant accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, net of accumulated depreciation, which is calculated on a straight-line basis considering the economic useful life of each class of assets, described in Note 6.

Property, plant and equipment items are written off when sold or when no future economic benefits are likely to flow to the Company from the use or sale of these assets. Gains or losses, if any, arising therefrom are the difference between the net disposal proceeds and the carrying amount of the asset, and are included in the statement of income for the year in which the asset is derecognized.

If there is any indication of significant changes in depreciation rates, useful life or residual value of an asset, depreciation of such asset is reviewed on a prospective basis to reflect the new expectations.

Impairment

Management annually tests the net carrying amount of the assets to determine whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment. When such evidence is identified and if the net carrying amount exceeds the recoverable amount, an estimated impairment loss is recognized to adjust the net carrying amount to the recoverable amount.

Taxes and contributions

By virtue of its status as a non-profit entity, it is exempt from taxes and contributions levied on its profit or loss and revenues. In view of said exemption, WWF-Brasil's management concluded, when analyzing the text of Law No. 12973/2014, which amended the Corporate Income Tax (IRPJ) legislation, that it meets all the provisions of the law regarding the Entity's activity.

Benefits to employees and directors

The Entity does not maintain pension and private pension plans for employees and officers or any benefits after they leave the Entity.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

e) Significant accounting policies (Continued)

Obligations – projects to be executed

These represent the Entity's obligation to invest funds received in projects sponsored by donors. Each quarter, an accountability report is prepared to show how the funds were invested in the respective projects. Should there be a surplus of funds, this may be allocated to another project or returned to the donor. Management establishes agreements with overseas donors in connection with the criteria for justifying expenses and defining the exchange rates to be used in the translation of expenses incurred and in the completion of projects.

Provision for contingencies and other provisions

The accounting practices used to recognize and disclose contingent assets and liabilities and legal obligations are as follows: i) Contingent assets are recognized only when there are real guarantees or favorable court decisions that are final and unappealable.. Contingent assets for which the likelihood of a favorable outcome is rated as probable are only disclosed in the notes; (ii) provisions for contingencies are recognized when losses are assessed as probable, and the amounts involved can be measured with sufficient reliability. The contingent liabilities regarded as possible losses are only disclosed in the accompanying notes and those assessed as having a remote risk of loss are neither provided for nor disclosed; iii) legal obligations are recorded as liabilities, regardless of the evaluation of the likelihood of success; iv) any type of bonus, when eligible, is provisioned.

3. Cash and cash equivalents

	12/31/2023	12/31/2022
Bank checking account	2,318	5,159
Financial investments	14,699	10,051
	<u>17,017</u>	<u>15,210</u>

As of December 31, 2021, cash and cash equivalents consist of cash, demand deposits and short term investments, recorded at cost plus income accrued up to the statement of financial position dates, which does not surpass their market or realizable value. These funds are institutional, with no restrictions on use.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

3. Cash and cash equivalents (Continued)

The Entity maintains a financial investment account in Bank Deposit Certificates (CDBs), with average yield between 98% and 102% in 2023 (96% and 98% in 2022) of the Interbank Deposit Certificate (CDI) rate, and immediate liquidity.

The sensitivity and risk management analysis of these assets is presented in Note 15.

4. Project-related funds

Checking accounts and investment accounts are individually controlled through specific bank accounts. These refer to funds received from agreements for future use in projects agreed upon with the Entity, and such funds are allocated as established in contracts (Note 7).

Below is the breakdown of the cash account of earmarked resources:

	12/31/2023	12/31/2022
Bank checking account	10,958	2,691
Financial investments	11,677	17,542
	22,635	20,233

Earmarked resources are subject to specific, donor-defined applications. Financial investment accounts earmarked for projects have an average remuneration of 98% to 102% in 2023 (96% to 98% in 2022) of the CDI rate. Income earned up to the statement of financial position date is appropriated according to the specifics of each contract, where a portion of the funds goes back to the project, in which case they are allocated to liabilities and the remaining income is allocated to profit or loss for the year.

The sensitivity and risk management analysis of these assets is presented in Note 15.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

5. Receivables from projects executed

This refers to amounts receivable from donors with signed contracts for expenditure incurred, which are short-term receivables.

	12/31/2023	12/31/2022
FUNBIO - Fundo Brasileiro para Biodiversidade	4,830	2,525
WWF-Netherlands	1,151	-
WWF-Peru	617	63
Banco do Brasil	539	383
WWF-United States	523	511
WWF-International	473	911
WWF-Germany	197	393
WWF-Mexico	186	-
WWF-England	149	31
Inst. Arapyaú de Educ. e Desenvolv. Sustentável	130	-
WCMC - World Conservation Monitoring Centre	48	-
WWF-Finland	25	-
AMBEV - Companhia de Bebidas das Américas	22	52
Instituto Neoenergia	18	-
WWF-Japan	6	21
WWF-Austria	1	-
European Union Delegation	-	596
WWF-Denmark	-	174
Freeland Brasil	-	83
The World Bank Group	-	38
	8,915	5,781

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

6. Property, plant and equipment

Breakdown of property, plant and equipment

	Annual depreciation rate	12/31/2023			12/31/2022	
		Cost	Accumulated depreciation	Provision for write-off due to donation (i)	Property, plant and equipment, net	Property, plant and equipment, net
Buildings	4%	117	(31)	(86)	-	-
Leasehold improvements	5%	210	(102)	(2)	106	126
Equipment and facilities	10%	885	(498)	(300)	87	141
Furniture and fixtures	10%	435	(192)	(79)	164	220
Information Technology equipment	20%	2,735	(1,576)	(374)	785	574
Communication equipment	20%	739	(370)	(118)	251	200
Film/Photography equipment	10%	723	(237)	(208)	278	201
Other equipment	10%	513	(145)	(327)	41	124
		6,357	(3,151)	(1,494)	1,712	1,587

(i) According to WWF-Brasil policy, when the project requires the application of equipment, at the end of the process, the equipment is donated to the communities served by the project. The provision for write-off due to donation was set up on goods that are already slated for delivery to third parties.

b) Changes in property, plant and equipment

	Cost	Depreciation	Provision for write-off due to donation	Net
Balances at January 1, 2022	5,555	(2,768)	(1,142)	1,645
Additions	919	(678)	(522)	(281)
Write-offs	(904)	771	356	223
Balances at December 31, 2022	5,570	(2,675)	(1,308)	1,587
Additions	1,974	(791)	(1,353)	(170)
Write-offs	(1,187)	315	1,167	295
Balances at December 31, 2023	6,357	(3,151)	(1,494)	1,712

In 2022, the Entity carried out the physical inventory count of its assets, writing off the items that were not being used or that were obsolete, most of which were fully depreciated, maintaining the evaluation criteria for 2023.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

7. Obligations – projects to be executed

These refer to amounts received from donors (Note 4) that were not fully invested in the respective projects by December 31, 2023 and 2022, and expected to be applied over the course of 2024 and are represented by:

a) Balance breakdown

Description	12/31/2023	12/31/2022
WWF-Netherlands	4,092	6,175
WWF-Germany	3,191	1,669
WWF-United States	2,919	2,309
WWF-England	2,802	2,927
AIRBNB Plataforma Digital Ltda.	2,356	2,691
WWF-France	1,476	547
European Union Delegation	1,458	-
Live Nation Brasil	878	-
WWF-International	843	808
WWF-Switzerland	822	-
WWF-Sweden	507	-
WWF-Denmark	359	404
WWF-Japan	246	41
WWF-Norway	182	109
Instituto Terra	159	-
AIEP - Associação para a Educação, a Saúde, a Arte	130	6
Rainforest Trust	122	-
Fundação Renova	27	59
AEGEA Saneamento e Participações S.A.	-	767
IEB - Instituto Internacional de Educação do Brasil	-	680
WWF-Mexico	-	366
WWF-Finland	-	333
Instituto Neoenergia	-	190
WWF-Peru	-	91
Other donors	66	61
	22,635	20,233

b) Changes

Balance at January 1, 2022	24,124
Receipts + yields	90,312
Execution of projects	(97,610)
Execution related to services	(846)
Advances to projects	4,286
(Gains) Losses with project completion	(36)
Other – receipts (services)	3
Balance at December 31, 2022	20,233
Receipts + yields	116,503
Execution of projects	(116,042)
Execution related to services	(1,193)
Advances to projects	3,134
(Gains) Losses with project completion	-
Other – receipts (services)	-
Balance at December 31, 2023	22,635

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

8. Obligations with WWF-International (GMI/GDC)

In 2007, WWF-Brasil – with the aim to increase fundraising through donations and national memberships – joined the initiative then called “Global Membership Initiative (GMI),” through which the WWF Network sought to expand its support base for the environmental cause. As part of this initiative – currently incorporated into the Global Development Center (GDC) -, three loan agreements were entered into with WWF-International to finance the structuring of its membership and engagement area. The loans enabled the organizational development and training of WWF-Brasil in this area, in addition to the allocation of funds in membership drives.

The loan agreement sets out goals for the development of the WWF-Brasil membership program, the expected result of which was an increase in unrestricted income from individual (natural person) memberships/donations. The annual amount granted as a loan supported WWF-Brasil in planning activities, structuring systems, hiring staff, developing skills, and conducting membership drives.

The proceeds are to be reinvested in the membership program as a priority until the break-even point is reached, at which point the loan repayment begins. Loan repayment is to be calculated in such a way as to maintain the continuity of investments in further activities to attract new members, without compromising the sustainability of the program. Payments would only begin when the activity generated positive revenue, which has not yet occurred.

In 2010, considering the difficulty for the membership program to generate positive revenue, WWF-Brasil pleaded with WWF-International for the remission of a portion of the debt, which was accepted; that same year, a total of EUR500,000 of the original amount was forgiven, equivalent to R\$1,110.

The balance payable at the end of 2012 remained at R\$1,864, of which R\$710 (EUR220 thousand) was again forgiven by WWF-International during 2013. A total amount of R\$2,920 was received up to December 31, 2013, which was fully invested in accordance with the agreements and agreed-upon strategies.

No new transfers were received, no new amounts were remitted, and no loan repayments were made in years 2013–2021. The contract remains in force, and WWF-Brasil and WWF-International have been maintaining talks on the matter.

The loan has no interest or maturity date, being impacted only by the changes in foreign exchange rate incurred in 2023, as shown below:

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

8. Obligations with WWF-International (GMI/GDC) (Continued)

	R\$	€\$
Description	(In thousands of reais)	(In thousands of Euros)
Balances at 01/01/2022	2,982	472
Foreign exchange gains for the year	(355)	-
Balances at 12/31/2022	2,627	472
Foreign exchange gains for the year	(102)	-
Balances at 12/31/2023	2,525	472

9. Labor obligations

	12/31/2023	12/31/2022
Salaries payable	34	11
Vacation pay and charges	4,173	3,868
Social Security Tax (INSS) payable	710	618
FGTS	251	223
PIS	22	19
Other obligations	19	45
	5,209	4,784

10. Other accounts payable

	12/31/2023	12/31/2022
Tax obligations	890	581
Tax contingencies (i)	665	-
Other	70	39
Advances from third parties	-	4
	1,625	624

- (i) After consolidated understanding at the legal level on the collection of Contribution Tax on Gross Revenue for Social Security Financing (COFINS) on finance income earned by non-profit entities, the calculation of COFINS for the last 5 years was carried out and a corresponding provision was recorded. The Entity joined the self-regularization program created by the Brazilian IRS (RFB) through Revenue Procedure (IN) No. 2168/2023 and informed the COFINS amounts.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

11. Revenue related to projects

	2023	2022
<u>Donations from the WWF network:</u>		
WWF-Netherlands	25,365	22,825
WWF-United States	16,943	14,476
WWF-Germany	15,580	12,402
WWF-England	14,638	16,244
WWF-Denmark	4,848	299
WWF-Peru	4,146	5,500
WWF-France	2,433	1,626
WWF-International	2,426	3,324
WWF-Norway	1,868	2,089
WWF-Mexico	1,476	1,271
WWF-Japan	718	336
WWF-Finland	359	400
WWF-Switzerland	345	-
WWF-Sweden	344	104
WWF-Australia	166	-
WWF-Spain	120	-
WWF-Tanzania	27	-
WWF-European Policy Office	6	80
WWF-China	-	92
	91,808	81,068
<u>Companies/Corporations</u>		
AEGEA Saneamento e Participações S.A.	1,661	1,022
AMBEV - Companhia de Bebidas das Américas	720	52
AIRBNB Plataforma Digital Ltda	335	-
	2,716	1,074
<u>Civil Association</u>		
FUNBIO - Fundo Brasileiro para Biodiversidade	14,892	9,641
IEB - Instituto Internacional de Educação do Brasil	696	651
Sitawi	624	-
WCMC - World Conservation Monitoring Centre	318	99
Instituto Neoenergia	228	437
Instituto Arapyaú de Educação e Desenvolvimento Sustentável	-	143
Rainforest Trust	67	-
AIEP - Associação para a Educação, a Saúde, a Arte	20	612
	16,845	11,583
<u>Private Foundations</u>		
Fundação Renova	1,497	755
Freeland Brasil	1,078	536
The World Bank Group	206	511
CEPF - Critical Ecosystem Partnership Fund	-	1
	2,781	1,803
<u>Bilateral and Multilateral Agencies</u>		
European Union Delegation	1,501	2,022
	1,501	2,022

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

11. Revenue related to projects (Continued)

Private donations

Private donor

391	60
391	60
116,042	97,610

a) Breakdown of the revenue related to projects

Costs of programs and projects
 Personnel expenses
 Administrative fee
 Indirect costs
 Property, plant and equipment
 Other

2023	2022
63,731	52,977
37,381	32,725
8,144	7,110
4,059	3,638
1,764	908
963	252
116,042	97,610

12. Other revenues

Reversal of provision for labor contingency (i)
 Sale of property, plant and equipment
 Reversal of allowance for ECL
 Other revenues

2023	2022
226	-
3	2
-	129
25	117
254	248

(i) For further information refer to Note 14c.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Expenses allocated by project

Projects/Cycles	Personnel expenses	Costs of programs and projects with third parties	General and administrative expenses	Total 2023	2022
Active citizenship	(1,506)	(4,089)	-	(5,595)	(3,558)
Zero conversion of native vegetation	(4,737)	(7,289)	-	(12,026)	(9,317)
Peoples' rights	(1,908)	(4,065)	-	(5,973)	(8,848)
Green finance	(1,256)	(78)	-	(1,334)	(644)
Infrastructure	(1,282)	(1,203)	-	(2,485)	(2,309)
Protection of endangered species	(3,649)	(13,888)	-	(17,537)	(13,192)
WWF Network	(787)	(388)	-	(1,175)	(1,126)
Sociobiodiversity	(3,005)	(6,386)	-	(9,391)	(8,344)
Energy transition	(1,100)	(689)	-	(1,789)	(2,034)
Valuation and defense of protected areas	(2,044)	(1,907)	-	(3,951)	(3,493)
Production and consumption	(762)	(919)	-	(1,681)	(1,381)
Develop – Organizational development	(4)	(2,700)	-	(2,704)	(3,938)
Institutional communication	(2,264)	(141)	-	(2,405)	(1,960)
Reduction of mining impacts	(1,402)	(3,488)	-	(4,890)	(2,936)
Corporate relations	(1,615)	(47)	-	(1,662)	(788)
Expansion of the cause	(490)	(326)	-	(816)	(509)
Executive circle	(153)	-	-	(153)	(66)
Restoration of native vegetation	(4,396)	(13,848)	-	(18,244)	(12,919)
Legal framework	(3,663)	(1,083)	-	(4,746)	(4,692)
Emergency field responses	(124)	(718)	-	(842)	(1,373)
PaSos	-	(496)	-	(496)	(737)
Science	(464)	(54)	-	(518)	(557)
Portfolio	(533)	(172)	-	(705)	(1,215)
Social and environmental communication	(435)	(160)	-	(595)	(216)
Culture and development	(121)	-	-	(121)	(48)
International projects	-	(59)	-	(59)	-
	(37,700)	(64,193)	-	(101,893)	(86,200)
Administrative/Operating	(6,192)	(286)	(5,379)	(11,857)	(11,693)
	(43,892)	(64,479)	(5,379)	(113,750)	(97,893)

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Expenses allocated by project (Continued)

After preparing the strategic plan through 2030, the Entity underwent a period of redefining its organizational structure and reviewing its portfolio, always in search of greater alignment with the strategy, agility and medium and long-term impact vision. It is worth noting that the portfolio is not a rigid structure and can be modified throughout the year, project cycles can be closed when reaching their purpose, and new project cycles can be created to achieve new purposes.

13.1. Personnel expenses

	2023	2022
Salaries and wages	(23,930)	(21,054)
INSS	(6,054)	(5,327)
FGTS	(2,166)	(1,934)
Accrued vacation pay and related charges	(3,311)	(3,234)
Accrued 13 th monthly salary and related charges	(2,774)	(2,483)
Meal allowance	(2,242)	(2,100)
Health and dental care	(2,133)	(1,864)
Other	(1,283)	(1,098)
	(43,892)	(39,094)

13.2. Costs of programs and projects (i)

	2023	2022
Technical partnership agreement (ii)	(27,191)	(26,532)
Consulting and technical services	(18,870)	(13,629)
Communication and publicity	(3,686)	(3,788)
Airfare and lodging	(6,032)	(3,826)
Meals and transportation	(3,084)	(1,745)
Maintenance and consumption materials	(1,802)	(812)
Maintenance services	(1,293)	(1,319)
Other costs	(2,521)	(1,759)
	(64,479)	(53,411)

- (i) Regarding costs of programs and projects for 2023, there was an increase proportional to the increase in revenues related to projects for the period. (Note 11).
- (ii) Transfers are made in Brazilian reais and through bank deposits to the retained third parties, according to the parameters established in WWF-Brasil internal procedures, and also in requirements specified in the agreements between WWF-Brasil and the respective donors and good transfer practices. In the case of technical partnership agreements, the partner undertakes to provide rendering of technical and financial accounts, also aimed at meeting the donor's requirements. In the event of any surplus funds, they must be returned to WWF-Brasil, or, upon prior agreement with WWF-Brasil, may be directed toward some other activity — or, if the project continues, they may be considered as an advance on the transfers from the next agreement. Any amount considered not acceptable according to contractual clauses, contract budget, or the description of the technical development of activities — which is an integral part of the agreement in the form of a Term of Reference (TOR) — may also be disallowed.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

13. Expenses allocated by project (Continued)

13.3. General and administrative expenses

	2023	2022
Technical services	(1,841)	(2,276)
Promotion and marketing	(1,026)	(1,012)
Maintenance and upkeep of assets	(158)	(59)
Rent and utilities	(374)	(554)
Depreciation and amortization	(792)	(678)
Travel expenses	(733)	(288)
General expenses	(455)	(521)
	(5,379)	(5,388)

13.4. Finance income (costs), net

	2023	2022
Yields from investments (ii)	3,722	2,999
Foreign exchange gains (i)	198	772
Discounts obtained	8	22
Total finance income	3,928	3,793
Foreign exchange losses (i)	(128)	(443)
Tax on Financial Transactions (IOF)	(382)	(340)
Withholding income tax (IRRF) on financial investments	(755)	(637)
Interest and discounts	(91)	(16)
Total finance costs	(1,356)	(1,436)
	2,572	2,357

(i) In 2023, the GMI loan agreement suffered a major impact from changes in foreign exchange rates, resulting in finance income for the period.

(ii) In 2023, the Entity had better rates of return on financial investments (as presented in Note 3), compared to 2022, contributing to finance income for the period.

14. Other information

a) Derivatives

The Entity does not have derivative transactions.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

14. Other information (Continued)

b) Insurance coverage

The Entity's management takes out insurance to cover operational risks (fire), general civil liability, and multi-risk insurance. At December 31, 2023, the Entity has the following policies and coverage in force:

Type	Insurance company	Effective period	Sum insured
Property insurance – Brasília office	Allianz Empresarial	11/09/2024	4,800
Civil liability insurance – D&O	Fator Seguradora S/A	10/07/2024	10,000

c) Provision for tax and civil contingencies

Changes in the provisions for the year were as follows:

Balance at January 1, 2022	232
Provision written off	(232)
Recognition of provision	226
Balance at December 31, 2022	226
Provision written off (i)	(226)
Recognition of provision	-
Balance at December 31, 2023	-

i) In 2022, WWF-Brasil became a defendant in a labor claim, Proceeding No. 0000788-17.2022.5.10.0009 WWF-Brasil, which followed all procedural steps before the 5th Labor Court of Brasília/DF. The Entity obtained a final and unappealable decision on July 27, 2023. A labor settlement was reached in the amount of R\$40,000.00.

d) Net worth

The Entity's net worth comprises, pursuant to its Bylaws, tangible assets and property, plant and equipment owned by it. In conformity with article 46 of the Entity's Bylaws, in the event of the dissolution of WWF-Brasil and after the payment of any debt, its remaining net worth will be set aside for not-for-profit entities that preferably have the same business purpose as WWF-Brasil, to be pertinently designated by resolution of the members.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

14. Other information (Continued)

e) Obligations with the WWF Network

WWF-Brasil annually pays the amount referring to participation in the WWF Network, contributing to WWF-International and to the development of the WWF Network, called Network Services, calculated restricted and unrestricted funds raised directly by WWF-Brasil. This allowance is made in the short and long term, and the payment is made annually.

Calendar year	2021	2021	2022	2023
Fiscal Year (FY)	2021	2022	2023	2024
Contribution	374	248	292	186
Income tax on remittance	66	44	51	23
Allowance adjustment	(222)	11	19	-
Foreign exchange differences	-	-	-	-
Total payable	218	303	362	209
Payment				
2022	(218)	-	-	-
2023	-	(303)	-	-
2024	-	-	(362)	-
2025	-	-	-	(209)
Balance payable	-	-	362	209

(*) Fiscal years follow the WWF network standard (July to June).

(**) Starting in 2019, there was a change in the legislation, with IRRF (withholding income tax tax) being levied on remittances of participation in the Network located abroad. The amount of the allowance already includes IRRF.

f) Related parties

The Entity does not remunerate its associates and advisors holding positions in the Deliberative, Advisory and Supervisory Boards. In compliance with civil and tax legislation for nonprofit entities, WWF-Brasil does not distribute among its partners or associates, directors, officers, employees, donors or third parties, any earnings, leftover funds, operating surpluses, gross or net, or portions of its assets, earned through the exercise of its activities. The measurement of the voluntary work of the associates and director is disclosed in Note 14.g.

In accordance with the updated legislation for civil society organizations, the CEO is remunerated for effectively acting in executive management and in accordance with the requirements set out in the applicable legislation.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

14. Other information (Continued)

f) Related parties (Continued)

The compensation and benefits of the operational legal representatives (CEO, officers and managers) of WWF-Brasil totaled R\$2,756 at December 31, 2023 (R\$2,661 in 2022).

g) Income and expenses from volunteer work

Starting in 2019, WWF-Brasil began to measure the volunteer work applied in the projects developed and in managing the Institution. Volunteer work is recognized at the fair value of the service provided, as if the financial disbursement had occurred. Thus, the Entity surveyed the performance of the corporate bodies of its Governance that fall under voluntary work: General Meeting, Deliberative Council, Advisory Board, Supervisory Board and Committees. Measurement of the respective value took into account the highest per-hour value of the consulting work that the Entity uses in its hiring, and the duration of each meeting held, resulting in the recording of the amounts shown below:

	2023	2022
Deliberative Council	93	100
Annual General Meeting - AGO	57	22
Advisory Board	55	-
Governance Committee	30	40
Annual WWF Network Conference	16	5
Finance Committee	16	38
Engagement Committee	10	13
Conservation Committee	6	8
Supervisory Board	4	4
Special General Meeting - SGM	-	4
WWF Network International Council	-	1
	287	235

15. Financial instruments and risk management

a) Classification of financial instruments by category

Due to the short-term cycle, it is assumed that the fair value of cash and cash equivalent balances, project-related funds, receivables from third parties and suppliers are close to their book values.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

15. Financial instruments and risk management (Continued)

a) Classification of financial instruments by category (Continued)

	Classification	2023	2022
Cash and cash equivalents	Amortized cost	17,017	15,210
Project-related funds	Amortized cost	22,635	20,233
Receivables from projects executed	Amortized cost	8,915	5,781
Other receivables	Amortized cost	1,278	1,162
Total financial assets		49,845	42,386
Suppliers	Amortized cost	572	1,262
Labor obligations	Amortized cost	5,209	4,784
Obligation with the head offices of WWF – Network Service	Amortized cost	362	292
GMI obligations	Amortized cost	2,525	2,627
Other accounts payable	Amortized cost	1,625	624
Obligation with the head offices of WWF – Network Service-LT	Amortized cost	209	343
Provision for civil and labor contingencies-LT	Amortized cost	-	226
Total financial liabilities		10,502	10,158

b) Financial risk management

Due to its financial investments, the Entity is potentially exposed to the risk of interest rate fluctuations. In this fiscal year, there was no substantial change in the exposure to risks of the Entity's financial instruments, its goals, policies and processes for managing these risks, or in the methods used to measure them, as of previous fiscal years.

Credit risk

WWF-Brasil maintains its funds at renowned financial institutions and investment accounts in CDBs. Thus, the Entity has a low credit risk.

Liquidity risk

We monitor cash flows to meet operational demands and we have a schedule with our donors to ensure that funds are received in advance. The only debt we have with the WWF network is marked-to-market, and is therefore included in our cash flow. Aside from the debt with the network (GMI), we do not have any other type of loans or financing. Therefore, our liquidity risk is considered low.

WWF-Brasil - World Wide Fund For Nature

Notes to the financial statements (Continued)

December 31, 2023

(In thousands of reais, unless otherwise stated)

15. Financial instruments and risk management (Continued)

b) Financial risk management (Continued)

Interest rate risk

The Entity's financial investments are substantially indexed to fixed rates and pegged to changes in the CDI rate.

Scenarios for the exposure of financial instruments (financial investments) indexed at interest rate were outlined based on curves determined as of December 31, 2023, by calculating the impact on finance income for CDI variable risk in a one-year period, considering an increase and/or decrease of 25% and 50% in risk variables.

Below are the assumptions for the sensitivity analysis and possible impacts thereof:

Financial investments	Book balance at 12/31/2023	Projected scenarios		
		Probable scenario	25% change	50% change
Risk of CDI decrease				
Principal amount	39,652	39,652	39,652	39,652
Average rate of 99% of the CDI		11.14%	8.35%	5.57%
Amount of the indexed investment		44,069	42,963	41,861
Impact on financial investments		4,417	3,311	2,209

Maurício de Almeida Voivodic
Chief Executive Officer

Alessandra Utiyama Yamamoto
Chief Financial Officer

Rosana Monteiro dos Santos
Accountant - CRC/DF 008448/O-1
(Liber Assessoria Contábil SS LTDA)